

Relative to the Louisiana School Employees' Retirement System (LSERS).

**Benefit Accrual Rate**

Existing law provides that the minimum retirement benefits of a member shall be an amount which provides a total allowance equal to 2-1/2% multiplied by the first 20 years of service, plus 3% multiplied by the years of service in excess of 20 years, with all years of service being multiplied by the average compensation of the member. New law makes existing law applicable only to service earned prior to 01/01/99, and all years of service earned thereafter shall be multiplied by 3%, thereby eliminating the 2-1/2% accrual rate tier on a prospective basis.

New law provides that the benefit accrual rate of any member who retired on or before 06/30/99 shall be based on the law in effect on the date the member began retirement.

**Cost-Of-Living-Adjustments (COLA)**

Existing law provides that the board of trustees may provide, from investment earnings of the system, a supplemental COLA to retirees, beneficiaries, and survivors, with payments effective Jan. 1st each year. New law changes the source of such COLAs from "investment earnings" of the system to "surpluses" of the system.

New law deletes existing law which provides that supplemental COLAs shall be based on the difference between the annual average (all items) CPI published by the U.S. government for the two immediately preceding calendar years and shall be applicable to retirees, beneficiaries, and survivors of record on Jan. 1st of the immediately preceding year.

Existing law provides that supplemental COLAs shall be computed on the basis of the benefit being received at retirement. New law deletes the phrase "at retirement" thereby basing the computation of supplemental COLAs on the

approval of the legislative actuary.

Effective if and when the Act which originated as HB No. 2174 of this Session is enacted and becomes effective. (Note: HB No. 2174 became Act No. 1331, effective July 12, 1999.)

(Amends R.S. 11:1144(B) and 1145(A))